

Message Text

UNCLASSIFIED

PAGE 01 BRUSSE 03423 01 OF 02 222042Z
ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 AID-05 CEA-01 CIAE-00 COME-00
EB-08 FRB-01 INR-10 NSAE-00 SP-02 STR-07 TRSE-00
LAB-04 SIL-01 OMB-01 DODE-00 PA-02 USIA-15 SS-15
NSC-05 /104 W

-----120278 222115Z /73

R 222014Z FEB 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 5050
INFO ALL EC CAPITALS
AMEMBASSY OSLO
AMEMBASSY STOCKHOLM
USMISSION GENEVA

UNCLAS SECTION 01 OF 02 BRUSSELS 03423

USEEC, PARIS ALSO FOR USOECD

E.O. 11652: N/A
TAGS: EEC, ELAB
SUBJ: EC COMMISSION ENDORSES "WORK SHARING" TO COMBAT
UNEMPLOYMENT

1. SINCE THE NUMBER OF PEOPLE SEEKING JOBS IN WESTERN
EUROPE FAR OUTDISTANCES THE NUMBER OF JOB OPENINGS--AND
SINCE THIS TREND WILL PRESUMABLY CONTINUE AT LEAST
UNTIL 1985--THE TIME HAS COME TO CONSIDER MEASURES "TO
REDISTRIBUTE THE TOTAL VOLUME OF WORK IN THE ECONOMY
IN ORDER TO INCREASE EMPLOYMENT OPPORTUNITIES FOR ALL
THOSE WISHING TO WORK." SO SAYS THE COMMISSION OF THE
EUROPEAN COMMUNITIES (EC) IN A 13-PAGE STAFF PAPER ON
"WORK SHARING" ADOPTED LAST WEEK AND RELEASED FEB. 22.

2. UNDER THE COMMISSION'S DEFINITION, WORK-SHARING
EMBRACES A VARIETY OF POSSIBLE MEASURES, INCLUDING THOSE
REDUCING THE ACTUAL WORK WEEK, RESTRICTING OVERTIME
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRUSSE 03423 01 OF 02 222042Z

AND SHIFT WORK, INCREASING VACATION TIME, LOWERING THE
RETIREMENT AGE, INCREASING PART-TIME WORK, AND PROVIDING
FOR LONGER PERIODS OF EDUCATION AND TRAINING. THE
COMMISSION ADVOCATES A "PRUDENT AND DIVERSIFIED
APPROACH," AND HENCE DOES NOT PUSH ANY SPECIFIC FORMULA.

3. RATHER, THE COMMISSION URGES THAT LABOR, MANAGEMENT,

AND EC GOVERNMENTS--AT BOTH NATIONAL AND COMMUNITY LEVELS--EXAMINE WAYS OF IMPLEMENTING A WORK-SHARING POLICY. THE FIRST OPPORTUNITY FOR SUCH A JOINT EXAMINATION WILL COME MARCH 21 WHEN THE EC COUNCIL'S STANDING COMMITTEE ON EMPLOYMENT MEETS IN BRUSSELS. (THE COMMITTEE IS COMPOSED OF NOT ONLY THE NINE LABOR MINISTERS OF THE EC, BUT ALSO 18 LABOR AND 18 MANAGEMENT REPRESENTATIVES(DRAWN FROM THE MEMBER COUNTRIES.) THE COMMISSION'S DOCUMENT ON WORK SHARING WILL BE THE DISCUSSION PAPER FOR THE MARCH 21 MEETING.

4. THE COMMISSION RECOMMENDS THAT THE COUNCIL'S STANDING COMMITTEE HELP DEVELOP A "COMMUNITY FRAMEWORK" FOR ENCOURAGING MEMBER STATES TO MOVE FORWARD ON WORK-SHARING, BUT THE COMMISSION PAPER ITSELF SAYS LITTLE ABOUT HOW THIS MIGHT BE DONE. THE PAPER DOES SUGGEST, SOMEWHAT TENTATIVELY, THAT THE FRAMEWORK MIGHT INCLUDE LEGISLATION REDUCING THE WORK WEEK AND EXTENDING VACATION TIME THROUGHOUT THE COMMUNITY. (THE COMMISSION WILL SOON REVIEW HOW, IN LAW AND PRACTICE, MEMBER STATES HAVE IMPLEMENTED A 1976 COUNCIL RECOMMENDATION FOR A 40-HOUR WORKWEEK AND FOUR WEEKS' PAID VACATION.)

5. OTHER "SPECIFIC COMMUNITY ACTION" THAT, IN THE COMMISSION'S VIEW, SHOULD BE EXPLORED INCLUDES:

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BRUSSE 03423 01 OF 02 222042Z

(A) RESTRICTIONS ON OVERTIME. THE COMMISSION PLANS TO CONSIDER PROPOSING A COMMUNITY MEASURE TO "DISCOURAGE OR LIMIT RECOURSE TO OVERTIME," BY, FOR EXAMPLE, ELIMINATING PAY FOR OVERTIME AND SUBSTITUTING COMPENSATORY LEAVE. (COMMENT: THOUGH THE COMMISSION SAYS SUCH A MEASURE IS

"GENERALLY WELCOMED BY THE TWO SIDES OF INDUSTRY," IT WILL ALMOST CERTAINLY MEET SOME LABOR OPPOSITION, PARTICULARLY IN THE UNITED KINGDOM AND FRANCE, WHERE IN SOME SECTORS OVERTIME PAY IS REGARDED AS VITAL TO SUPPLEMENT LOW HOURLY WAGES. END COMMENT.)

(B) RESTRICTIONS ON NIGHT WORK AND SHIFT WORK. THE COMMISSION IS WORKING ON SPECIFIC PROPOSALS IN THIS AREA.

(C) EXTENSION OF TRAINING OPPORTUNITIES. EXTENSION OF COMPULSORY EDUCATION "DOES NOT SEEM DESIRABLE IN THE PRESENT CIRCUMSTANCES" (PROBABLY BECAUSE OF THE BURDEN ON EC MEMBER STATE BUDGETS, THOUGH THE COMMISSION DOES NOT CITE A REASON). HOWEVER, A MUCH WIDER "ACCESS TO TRAINING SEEMS TO BE A POSITIVE MEASURE," BOTH FOR

YOUNG SCHOOL-LEAVERS AND ADULTS.

6. THE COMMISSION PAPER LISTS A SEPARATE CATEGORY OF "AREAS WHERE FURTHER STUDY IS NEEDED" (ZFD TRANSLATION: SUBJECTS EVEN MORE CONTROVERSIAL THAN THE ONES PREVIOUSLY CITED). ITEMS UNDER THAT HEADING INCLUDE:

(A) NEGATIVE EFFECT OF SOCIAL BENEFIT COSTS ON WORK SHARING. "THE METHODS USED FOR CALCULATING SOCIAL CONTRIBUTIONS (I.E., PAID BY MANAGEMENT) COULD LEAD TO A PREFERENCE FOR OVERTIME WORK RATHER THAN ENGAGING NEW WORKERS," THE COMMISSION POINTS OUT, AND

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 BRUSSE 03423 02 OF 02 222050Z
ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 AID-05 CEA-01 CIAE-00 COME-00
EB-08 FRB-01 INR-10 NSAE-00 SP-02 STR-07 TRSE-00
LAB-04 SIL-01 OMB-01 DODE-00 PA-02 USIA-15 SS-15
NSC-05 /104 W

-----120345 222114Z /73

R 222014Z FEB 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 5051
INFO ALL EC CAPITALS
AMEMBASSY OSLO
AMEMBASSY STOCKHOLM
USMISSION GENEVA

UNCLAS SECTION 02 OF 02 BRUSSELS 03423

SO PROPOSES THAT "ALL OBSTACLES TO WORK-SHARING WHICH ARISE FROM THE SOCIAL SECURITY SYSTEMS" BE EXAMINED.

(B) TEMPORARY WORK. SINCE "TEMPORARY EMPLOYMENT AGENCIES MAY AFFECT WORK-SHARING PRINCIPLES," THE ROLE OF SUCH AGENCIES SHOULD BE CAREFULLY STUDIED, AND PERHAPS CONTROL OF THEIR ACTIVITIES SHOULD BE REINFORCED AT THE COMMUNITY LEVEL, THE COMMISSION SAYS.

(C) DISCRIMINATION AGAINST WOMEN. THIS SHOULD BE "LOOKED AT WITH PARTICULAR CARE, IN ORDER TO ENSURE THAT WRK-SHARING DOES NOT RESULT IN A FURTHER ACCENTUATION OF THE DISCRIMINATION AGAINST THEM."

7. IN DISCUSSING OBJECTIONS TO WORK-SHARING INITIATIVES, THE COMMISSION ADMITS THAT SUCH INITIATIVES COULD BE COSTLY, BUT POINTS OUT THAT COSTS "SHOULD BE COMPARED WITH PRESENT UNEMPLOYMENT COSTS, FROM THE POINT OF VIEW OF BOTH FINANCE AND THE SOCIAL CONSEQUENCES."

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRUSSE 03423 02 OF 02 222050Z

8. ON THE OTHER HAND, COMMISSION ACKNOWLEDGES THAT WORK-SHARING HAS ITS LIMITATIONS: IT "IS A SECOND-BEST SOLUTION IN AN OVERALL PLAN TO ABSORB UNEMPLOYMENT"; IT IS "ONLY A PARTIAL RESPONSE TO PRESENT PROBLEMS." MOREOVER, REDUCING WORKING TIME BY A GIVEN PERCENTAGE WILL NOT RESULT IN AN INCREASE IN NEW JOBS BY THE SAME PROPORTION, THE COMMISSION POINTS OUT. HOWEVER, EVEN ECONOMIC RECOVERY WILL NOT PROVIDE ENOUGH NEW JOBS, IN THE COMMISSION'S VIEW, AND SO WORK-SHARING DESERVES TO BE EXPLORED AS ONE ELEMENT OF AN EMPLOYMENT POLICY.

9. COMMISSION VICE PRESIDENT VREDELING ON FEB. 16 GAVE A PRESS CONFERENCE SUMMARIZING THE CONTENTS OF THE COMMISSION'S WORK-SHARING PAPER. AFTERWARD, SOME NEWSPAPERS QUOTED VREDELING AS SAYING THAT IN FORMULATING WORK SHARING PROGRAMS IT WOULD BE IMPORTANT TO GET "AN AGREEMENT WITH THE UNITED STATES AND JAPAN." ACCORDING TO AN EC OFFICIAL WHO WAS PRESENT AT THE CONFERENCE, VREDELING DID NOT SAY THAT, BUT DID SAY HE WOULD LIKE TO HAVE AN EXCHANGE OF INFORMATION ON WORK-SHARING IDEAS BETWEEN THE EC AND THOSE TWO COUNTRIES, IN THE HOPE THAT SIMILAR STEPS MIGHT BE TAKEN THROUGHOUT THE INDUSTRIALIZED WORLD. IDEALLY, SUCH AN EXCHANGE SHOULD TAKE PLACE IN THE INTERNATIONAL LABOR ORGANIZATION, AND IN THIS CONTEXT VREDELING DEPLORED THE U.S. DEPARTURE FROM THE ILO. HOWEVER, OUR COMMISSION SOURCE ADDED, VREDELING STILL WANTS TO PURSUE A DIALOGUE ON WORK-SHARING THROUGH BILATERAL CONTACTS, AND PERHAPS THE OECD. HINTON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: UNEMPLOYMENT, PROGRAMS (PROJECTS), REGIONAL ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRUSSE03423
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780082-0847
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780230/aaaaayvm.tel
Line Count: 212
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 66beb7d2-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3529274
Secure: OPEN
Status: NATIVE
Subject: EC COMMISSION ENDORSES "WORK SHARING" TO COMBAT UNEMPLOYMENT
TAGS: ELAB, EEC
To: STATE USOECD
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/66beb7d2-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014